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*Fourth Annual Report of the  
Economy Grocery Stores  
Corporation*

*For the Twelve Months Ended June 30, 1929*

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ECONOMY GROCERY STORES CORPORATION

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DIRECTORS

PREScott BIGELOW . . . . .	Boston, Mass.
J. BRADFORD HARDON . . . . .	Boston, Mass.
JACOB RABINOVITZ . . . . .	Boston, Mass.
JOSEPH RABINOVITZ . . . . .	Boston, Mass.
NORMAN S. RABINOVITZ . . . . .	Boston, Mass.
SIDNEY RABINOVITZ . . . . .	Boston, Mass.
LESTER WATSON . . . . .	Boston, Mass.

NY 24-32 11115 H6

OFFICERS

JOSEPH RABINOVITZ  
PRESIDENT

JACOB RABINOVITZ  
VICE-PRESIDENT

CHAS. W. DAY  
VICE-PRESIDENT

VINCENT J. VOLLONO  
VICE-PRESIDENT

SIDNEY RABINOVITZ  
TREASURER

MAX E. BERNKOPF  
CLERK

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TRANSFER AGENTS  
FIRST NATIONAL BANK  
OF BOSTON

REGISTRARS OF STOCK  
ATLANTIC NATIONAL BANK  
OF BOSTON

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ECONOMY GROCERY STORES CORPORATION

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FOURTH ANNUAL REPORT FOR THE FISCAL YEAR 1928-29

To the Stockholders of the  
Economy Grocery Stores Corporation:

It is very gratifying to report the progress made by your company during the fiscal year just closed. The past few years witnessed a scramble for mass sales by all chain organizations in your line of business resulting, in several instances, in amalgamation of competing and non-competing chains. This has forced upon your organization a number of difficulties, the most important of which was price cutting. Coincident with the existence of these conditions, however, your company's greatest growth has taken place and your management feels that it is just beginning to assimilate this growth and should find its reflect in future operations.

In March of this year we took over the operation of meat markets in our stores, having since added a number of these departments, there being in operation at the end of your fiscal year thirty-three meat departments. It is planned to keep adding these departments constantly. This will give your company added sales volume and should result in additional net profit.

On April 29th of this year your company purchased the inventory and fixtures of Rood & Woodbury, Springfield, Mass. This market was established in 1890 and had always enjoyed an excellent reputation. To conform with our merchandising methods, considerable rehabilitation work was necessary which is now being completed. Your management is confident of showing a volume of about \$1,000,000 in this store the coming year. At the same time it will establish your company in the western part of the State and should be the introductory means of further expansion in that vicinity.

During the past few months we have established a location for a meat and produce warehouse on D Street, South Boston. Up-to-date and most modern refrigerating equipment was installed as well as the necessary conveying and storage facilities for handling perishable merchandise. These facilities should take care of our needs in a very satisfactory manner.

All of these acquisitions and improvements have necessarily called for added investment in fixed assets but your management is certain that these investments were wise and will afford ample return in the form of added operating economies.

Your company had in operation at the close of the fiscal year 368 stores, an increase of 28 stores for the year. Sales for the year amounted to \$10,561,097, an increase of \$1,490,968, or 16.5% over the previous year. That the added volume was obtained with an additional 28 stores contributing only part of the fiscal year is significant, indicating a greater volume of sales per store.

Your management was successful, by close and diligent contact with its employees, to improve its merchandising methods and obtain a better control of operating expenses. This reflected itself in a gain of 1% in its ratio of net profits to sales over a year ago. Your management feels that with continued effort along these lines and with normal operating conditions further improvement in the net profit ratio should be shown.

Adequate allowance was made for accruing depreciation, \$43,707.88 having been charged off this year against \$38,898.49 last year. This is after charging to operating expenses all replacements, repairs, and maintenance. The net profit after all these charges, including provision for federal income taxes, amounted to \$271,551.10 as compared with \$145,049.53 last year, an increase of \$126,501.57, or 87.21%.

The physical equipment of your company is being maintained in its greatest efficiency. Your management is constantly on the alert to institute improvements wherever it is practicable.

The spirit of the employees of your company has never been better. In line with the policy of your management of promotion from within the organization, your personnel is continuously being developed for supervisory and executive positions. Through this method we have available experienced personnel for expansion.

Appended is a balance sheet and its relative profit and loss account as prepared by our auditors, Messrs. Myron Heller & Company, Certified Public Accountants, which is self explanatory.

By Order of the Board of Directors,

JOSEPH RABINOVITZ,  
President.

**ECONOMY GROCERY STORES CORPORATION**  
**BALANCE SHEET — JUNE 30, 1929**

**ASSETS**

**Current Assets:**

Cash on hand	\$ 2,085.00
Bank Balances	134,939.95
	\$ 137,024.95

**Accounts Receivable:**

Trade Debtors	\$ 87,960.84
Others	4,868.98
	92,829.82

**Investments:**

U. S. Liberty Bonds	\$ 250.00
Certificates of Stocks	200.00
Officers' Life Insurance at cash surrender value	4,434.10
	4,884.10

**Inventories at cost**

1,122,523.52

**Total Current Assets**

\$ 1,357,262.39

**Fixed Assets at Cost less Depreciation:**

Stores Equipment	\$ 422,260.04
Warehouse and Office Equipment	59,709.08
Automobiles and Trucks	102,055.61
	584,024.73

**Deferred Charges to Operations:**

Unexpired Insurance Premiums	\$ 12,193.40
Interest Prepaid on Notes Payable	1,250.00
	13,443.40
<b>Organization Expenses</b>	7,340.88
	\$ 1,962,071.40

**LIABILITIES**

**Current Liabilities:**

**Accounts Payable:**

Trade Creditors	\$ 600,996.19
Others	75,488.43
<b>Notes Payable</b>	120,000.00
	\$ 796,484.62

**Reserves:**

For Accrued Expenses	\$ 2,506.25
For Federal Income and State Taxes	28,569.75
	31,076.00
<b>Total Current Liabilities</b>	\$ 827,560.62

**Capital:**

Appropriated for 100,000 shares of no par value stock	\$ 750,000.00
<b>Surplus</b>	384,510.78
	1,134,510.78
	\$ 1,962,071.40

ECONOMY GROCERY STORES CORPORATION

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PROFIT AND LOSS ACCOUNT  
YEAR ENDED JUNE 30TH

	1929	1928
Sales	\$10,561,097.87	\$9,070,129.11
Less Cost	8,283,997.14	7,215,675.49
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Gross Profit on Sales	\$ 2,277,100.73	\$1,854,453.62
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Add Other Income:		
Cash discounts on purchases	\$ 73,769.09	\$ 81,026.52
Interest on bank balances	1,888.22	1,361.85
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	\$ 75,657.31	\$ 82,388.37
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Gross Profit	\$ 2,352,758.04	\$1,936,841.99
Deduct Operating Expenses including		
Federal Taxes and Depreciation	2,081,206.94	1,791,792.46
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Net Profit	\$ 271,551.10	\$ 145,049.53

SURPLUS ACCOUNTS  
YEAR ENDED JUNE 30, 1929

Balance, June 30, 1928	\$226,169.22
Deduct — Surplus Adjustments	13,209.54
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Add — Net Profit for the year ended June 30, 1929	\$212,959.68
	271,551.10
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Deduct — Dividends Paid	\$484,510.78
	100,000.00
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Balance, June 30, 1929	\$384,510.78

AUDITOR'S CERTIFICATE

We hereby certify that we have made an examination and audit of the books and accounts of the Economy Grocery Stores Corporation and that the foregoing Balance Sheet together with its relative Profit and Loss and Surplus accounts is to the best of our knowledge and belief a true statement of the financial position of the Company on June 30, 1929, and the results of its operation for the year.

MYRON HELLER & COMPANY,

Certified Public Accountants.

Boston, Mass.,  
August 3, 1929.



